

# *The Status of Higher Education in Tennessee: Challenges, Promises, and Expectations*



# Operating Principles

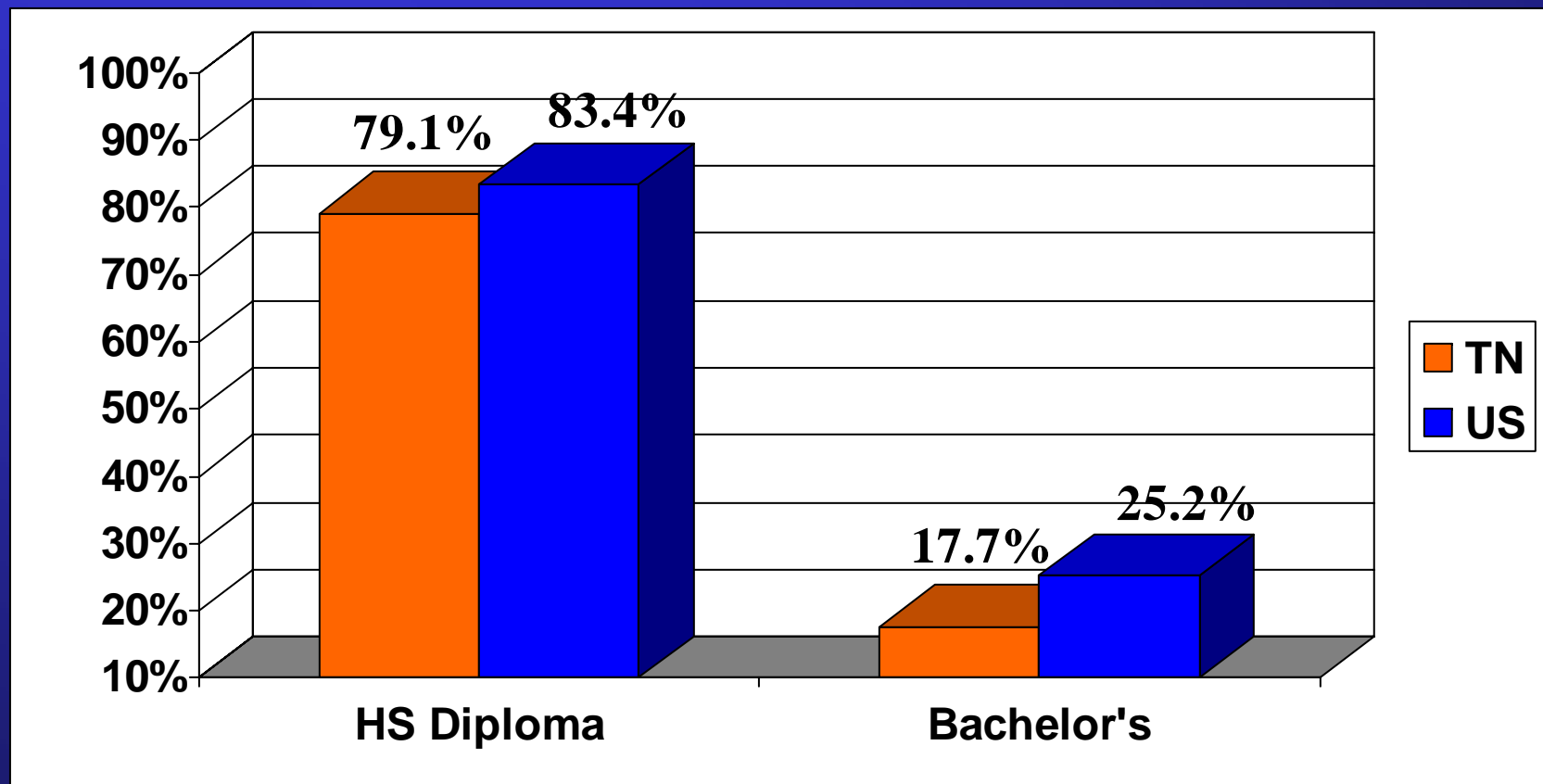
- The increased demand for education will place great stress on higher education in the 2000's.
- Scarce resources & increasing demands for accountability require informed decisions in allocation of those resources.
- Education and the economy are increasingly intertwined as human capital becomes a centerpiece of the economy.
- Pronounced limitations in fiscal resources have placed restrictions on higher education, thereby creating a tension between access and quality.



# Educational Attainment and Participation



## Educational Attainment Levels (% of Persons 25 Years Old and Over)



Source: U.S. Census Bureau, Current Population Survey, March 1999





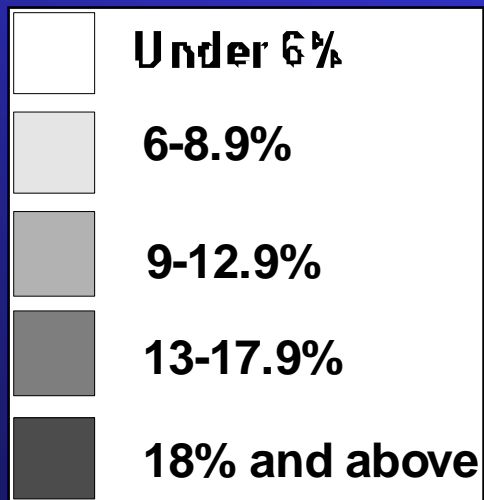
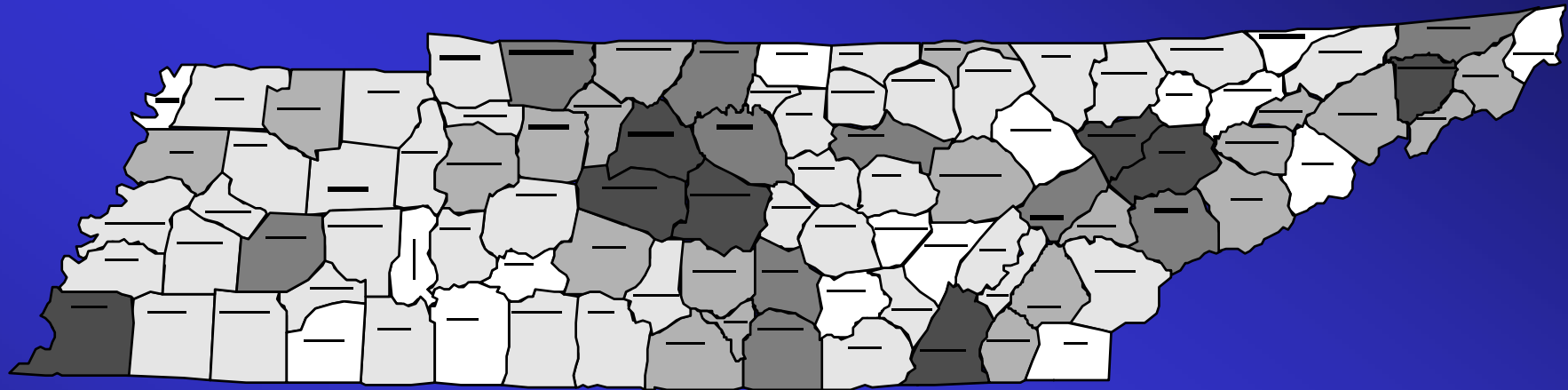
# Educational Attainment among SREB States

Percentage of Population 25 or Older with a Bachelor's Degree (1999 Current Population Survey)			
	1990	1995	1999
<b>United States</b>	<b>20.3%</b>	<b>23.0%</b>	<b>25.2%</b>
<b>SREB States</b>	<b>18.6%</b>	<b>19.9%</b>	<b>21.7%</b>
Alabama	15.7%	17.3%	21.8%
Arkansas	13.3%	14.2%	17.3%
Delaware	21.4%	22.9%	24.0%
Florida	18.3%	22.1%	21.6%
Georgia	19.6%	22.7%	21.5%
Kentucky	13.6%	19.3%	19.8%
Louisiana	16.1%	20.1%	20.7%
Maryland	26.5%	26.4%	34.7%
Mississippi	14.7%	17.6%	19.2%
North Carolina	17.4%	20.6%	23.9%
Oklahoma	17.8%	19.1%	23.7%
South Carolina	16.6%	18.2%	20.9%
<b>Tennessee</b>	<b>16.0%</b>	<b>17.8%</b>	<b>17.7%</b>
Texas	20.3%	22.0%	24.4%
Virginia	24.5%	26.0%	31.6%
West Virginia	12.3%	12.7%	17.9%

In order to reach the level of its border states, Tennessee would have to increase its bachelor's degree holders by 33.9% (204,000 individuals).



## Percent of Population with a Bachelor's Degree, 1999

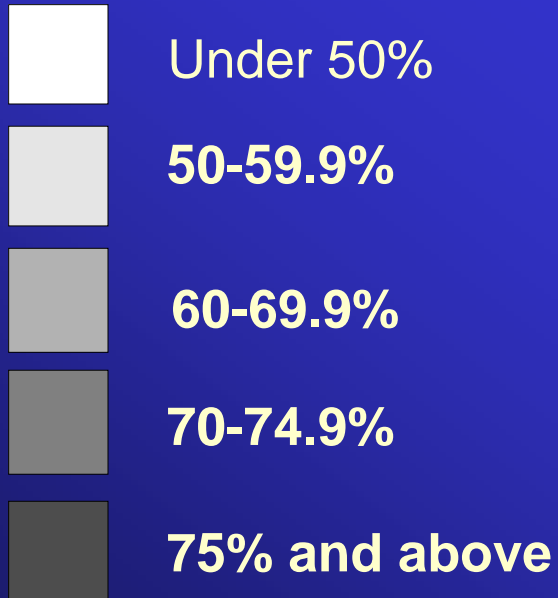
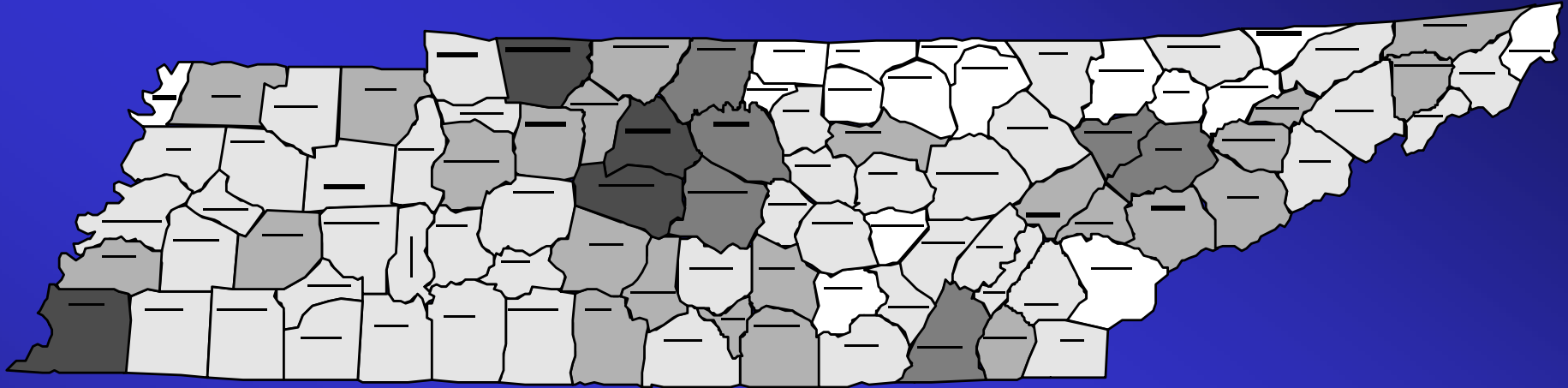


Average for Tennessee in 1999: 17.7%

Average for U.S. in 1999: 25.2%



# Percent of Population with a High School Degree, 1999



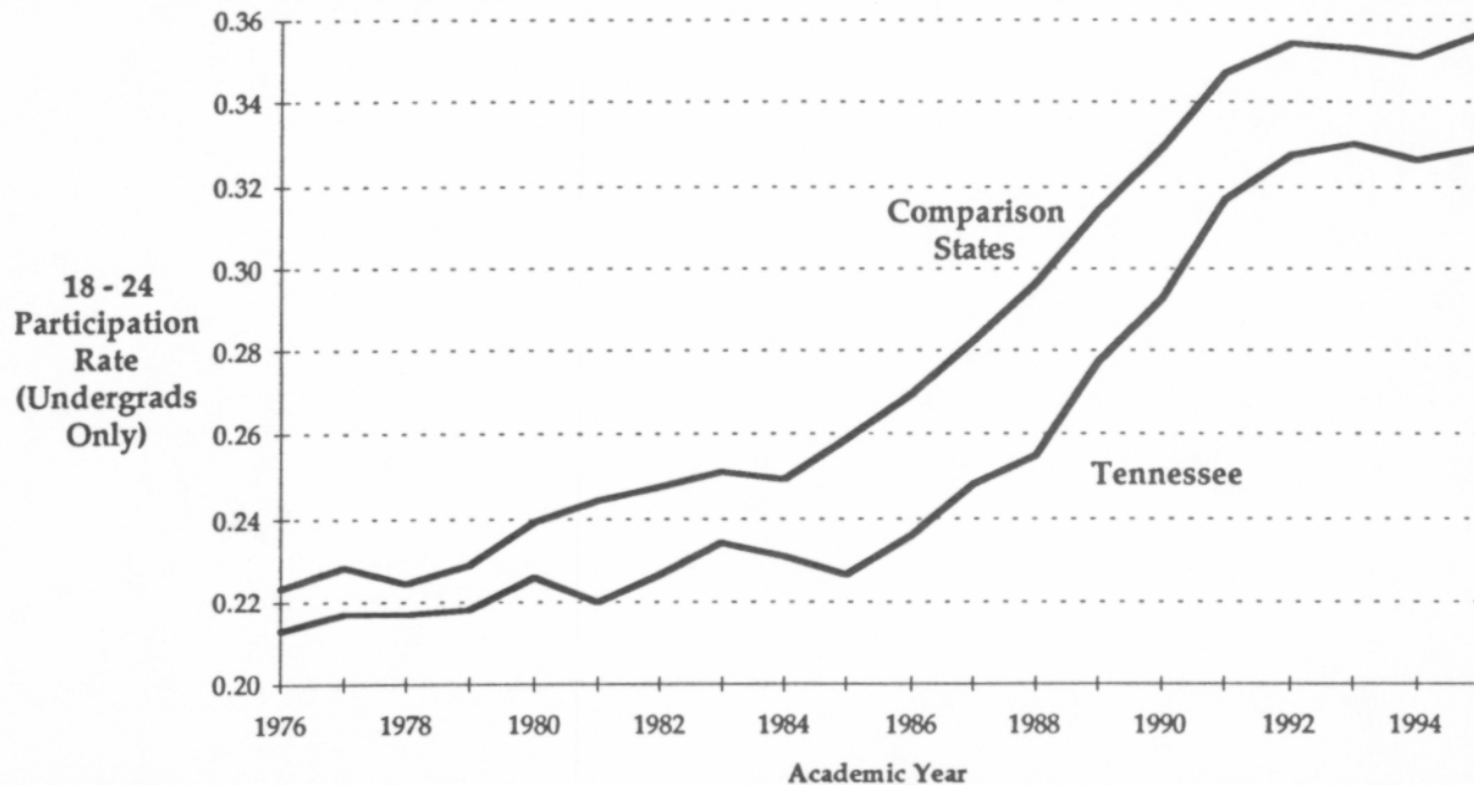
Average for the State of Tennessee in 1999	<b>79.1%</b>
National Average	<b>83.4%</b>



# Undergraduate Enrollment Rates

## Background Information: College Enrollment

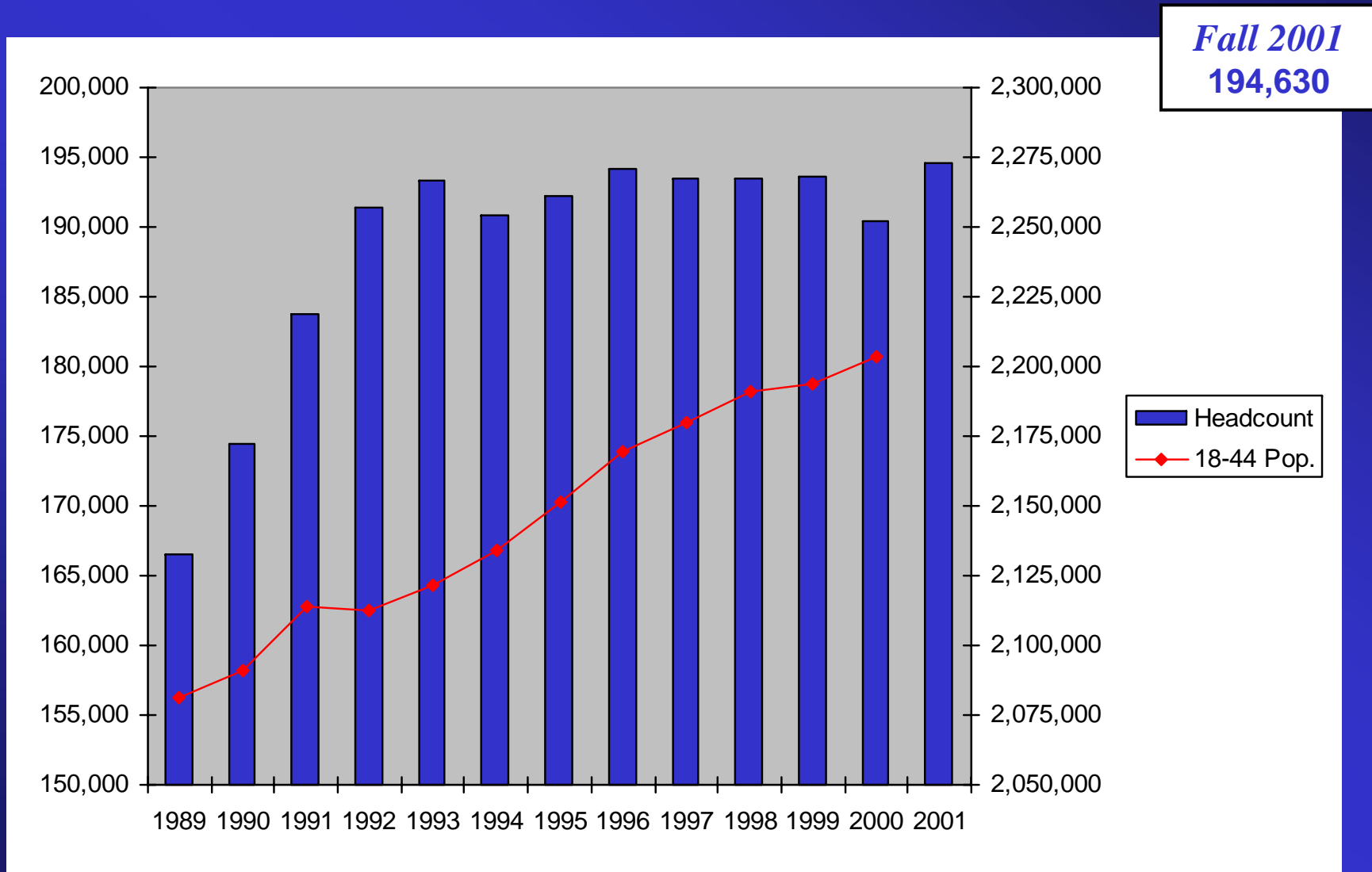
For undergraduate enrollments, the gap between Tennessee and the other states has grown from 1 point to 3 points over the last 20 years



Note: Participation rates are calculated as the number of undergraduate students divided by the 18 - 24 population

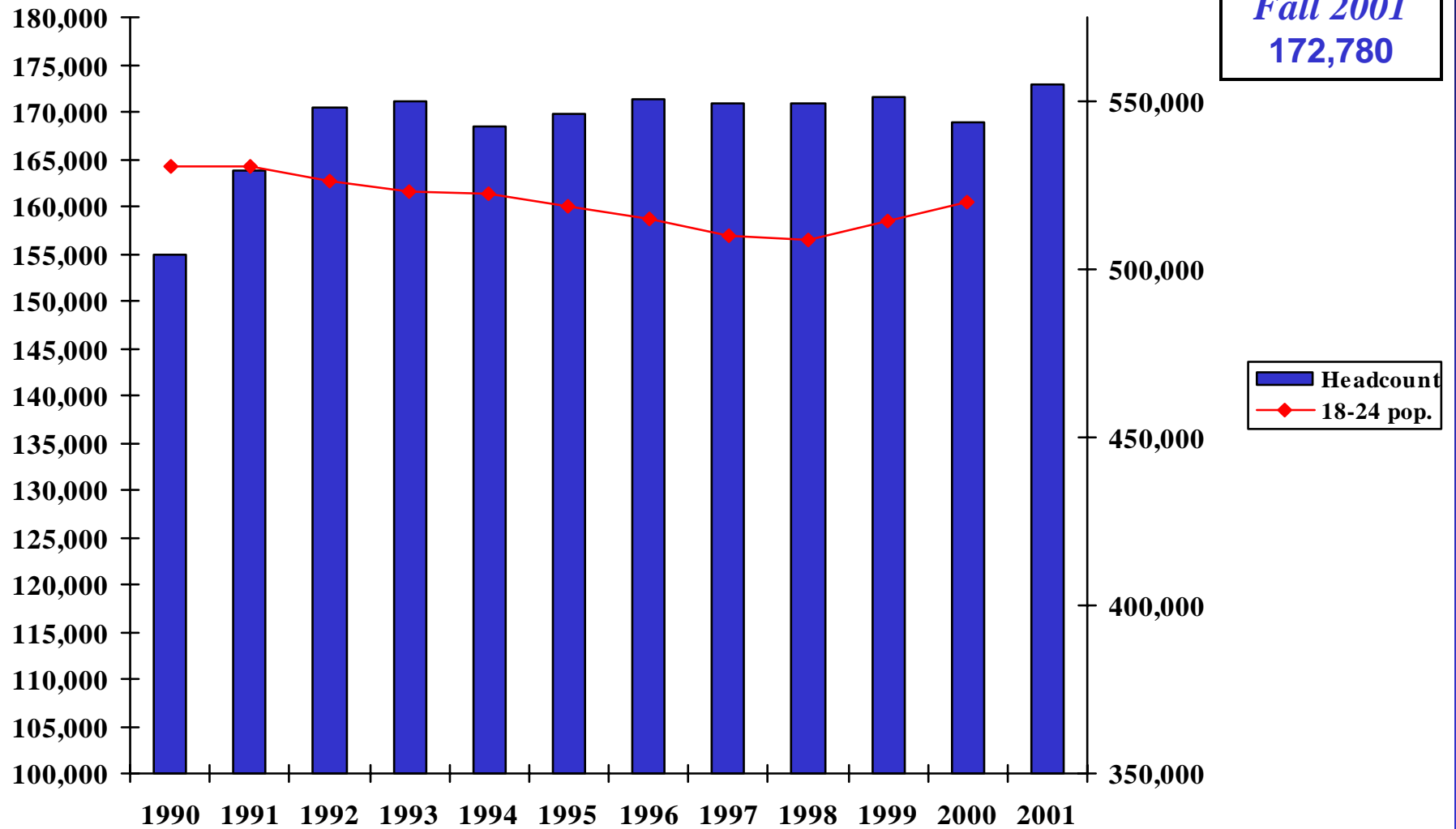


# Enrollment Trends (Headcount)

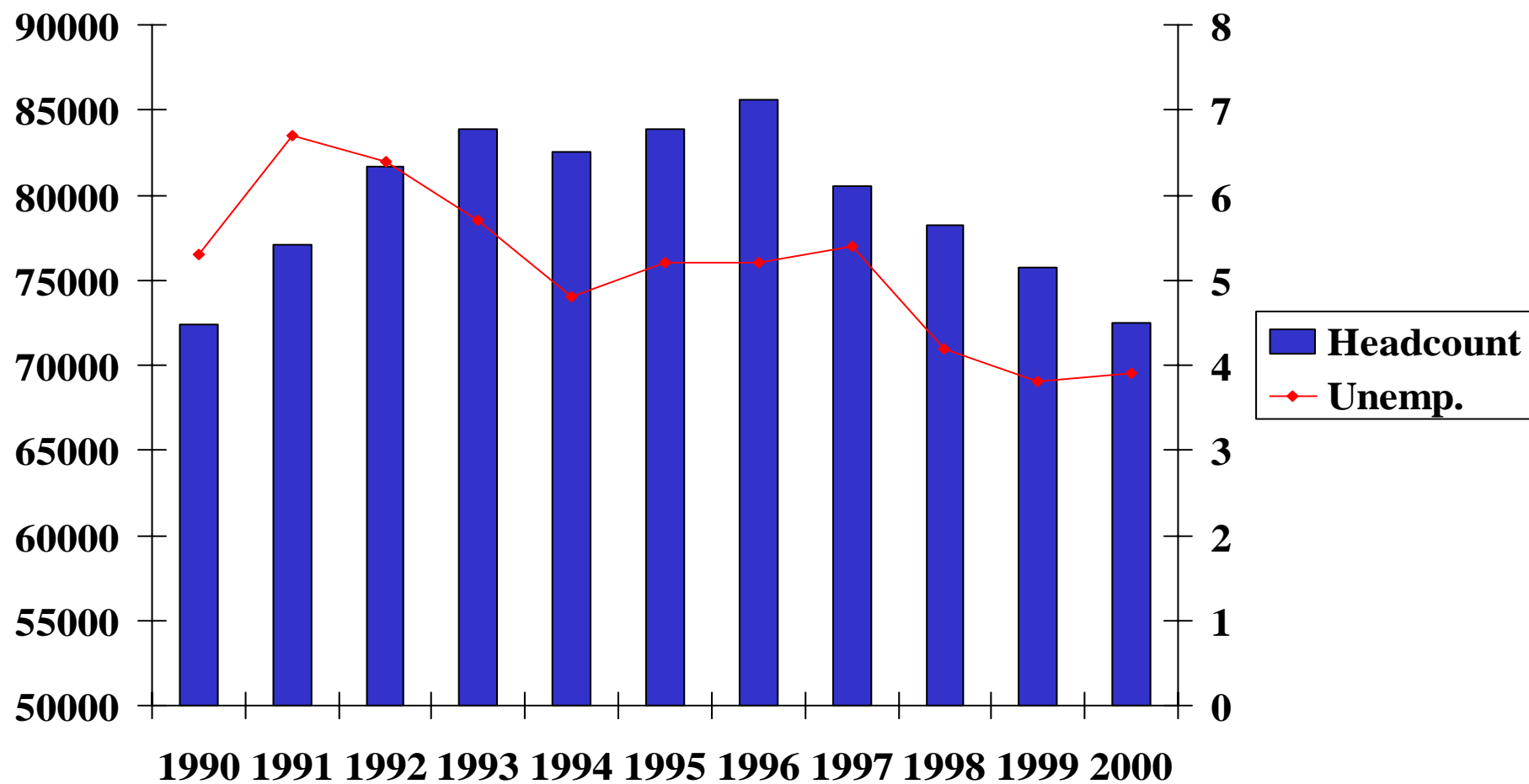


Source: Tennessee Higher Education Commission

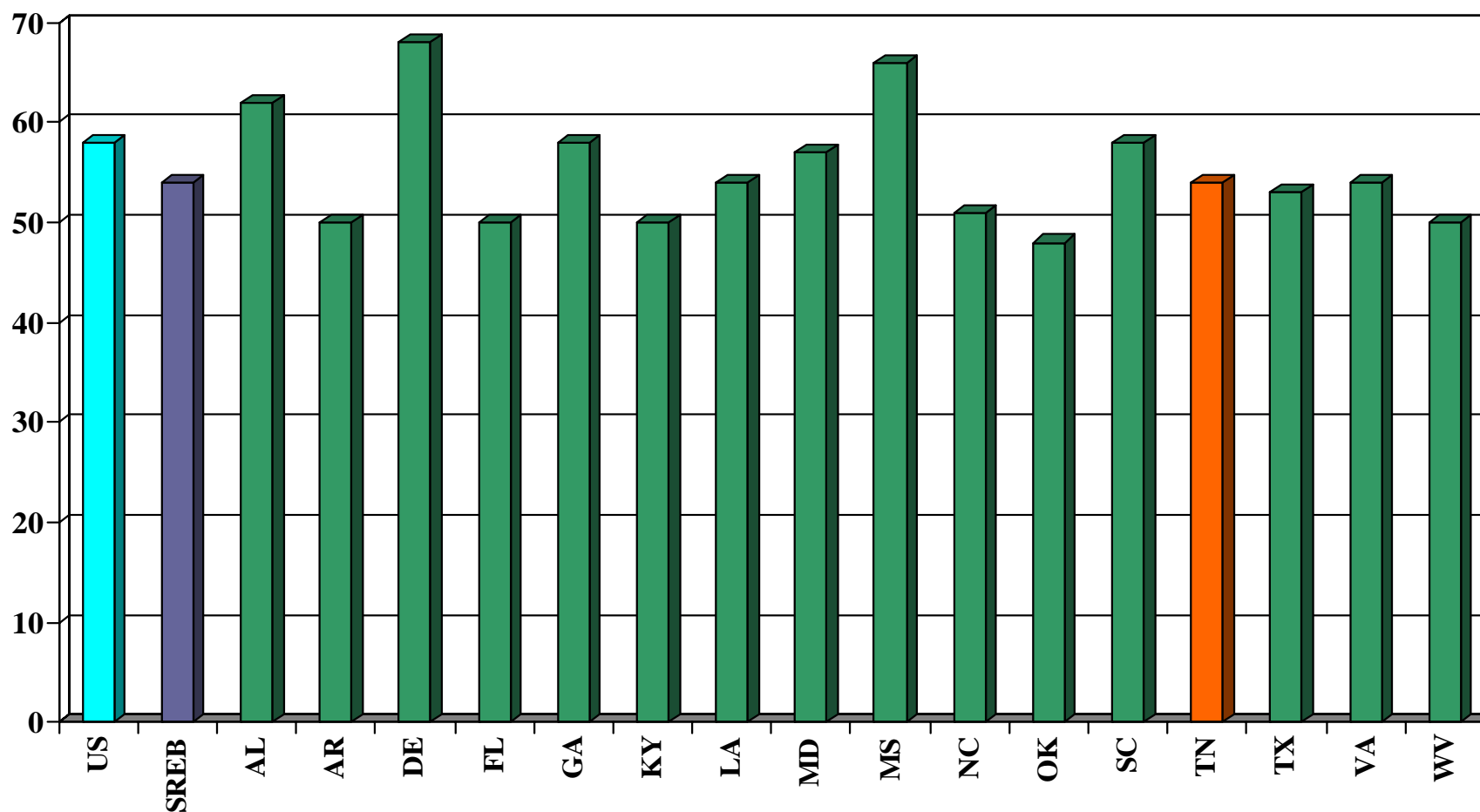
# Undergraduate Enrollment Trends



# 25 & Up with Labor Pattern

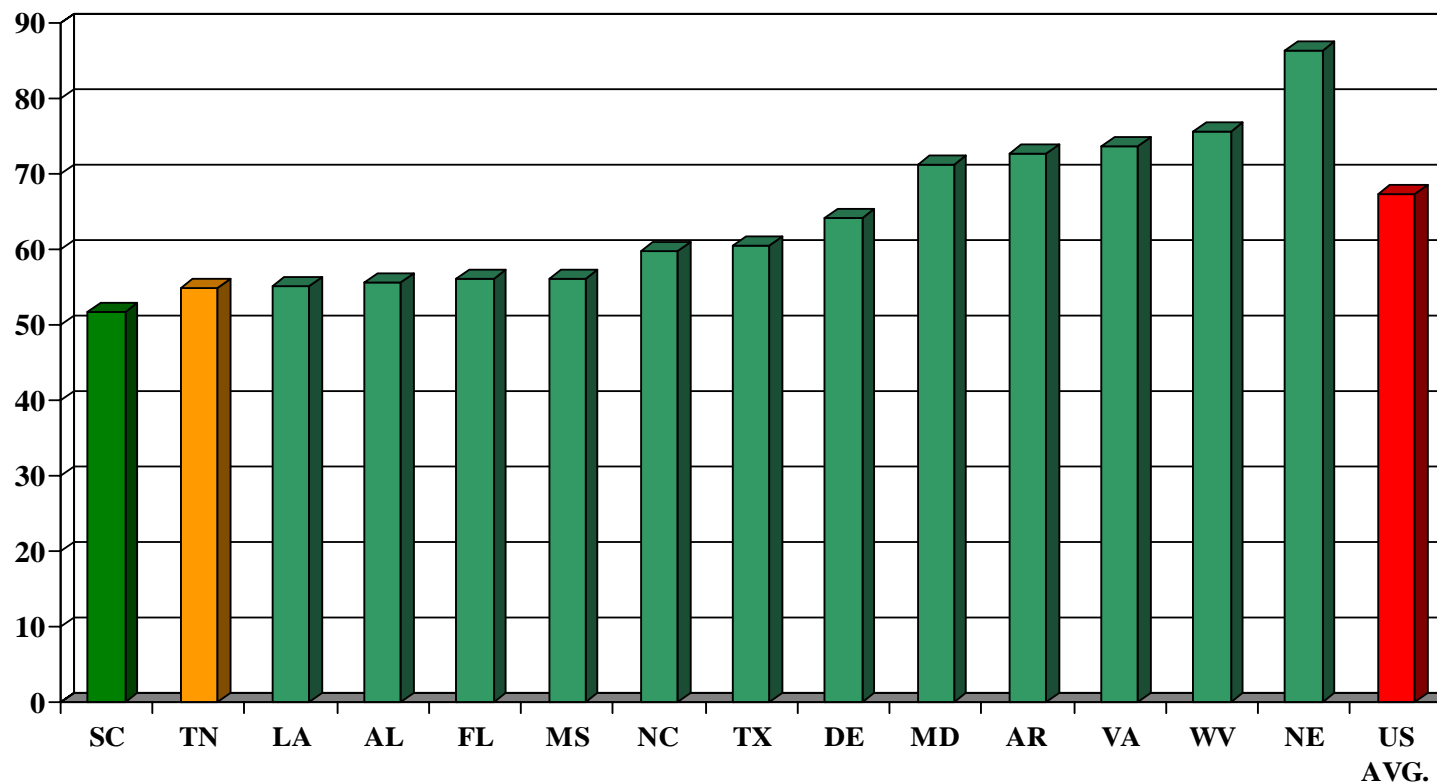


## Enrollment of Recent High School Graduates, 1998



National avg. 58% SREB avg. 54% TN avg. 54%

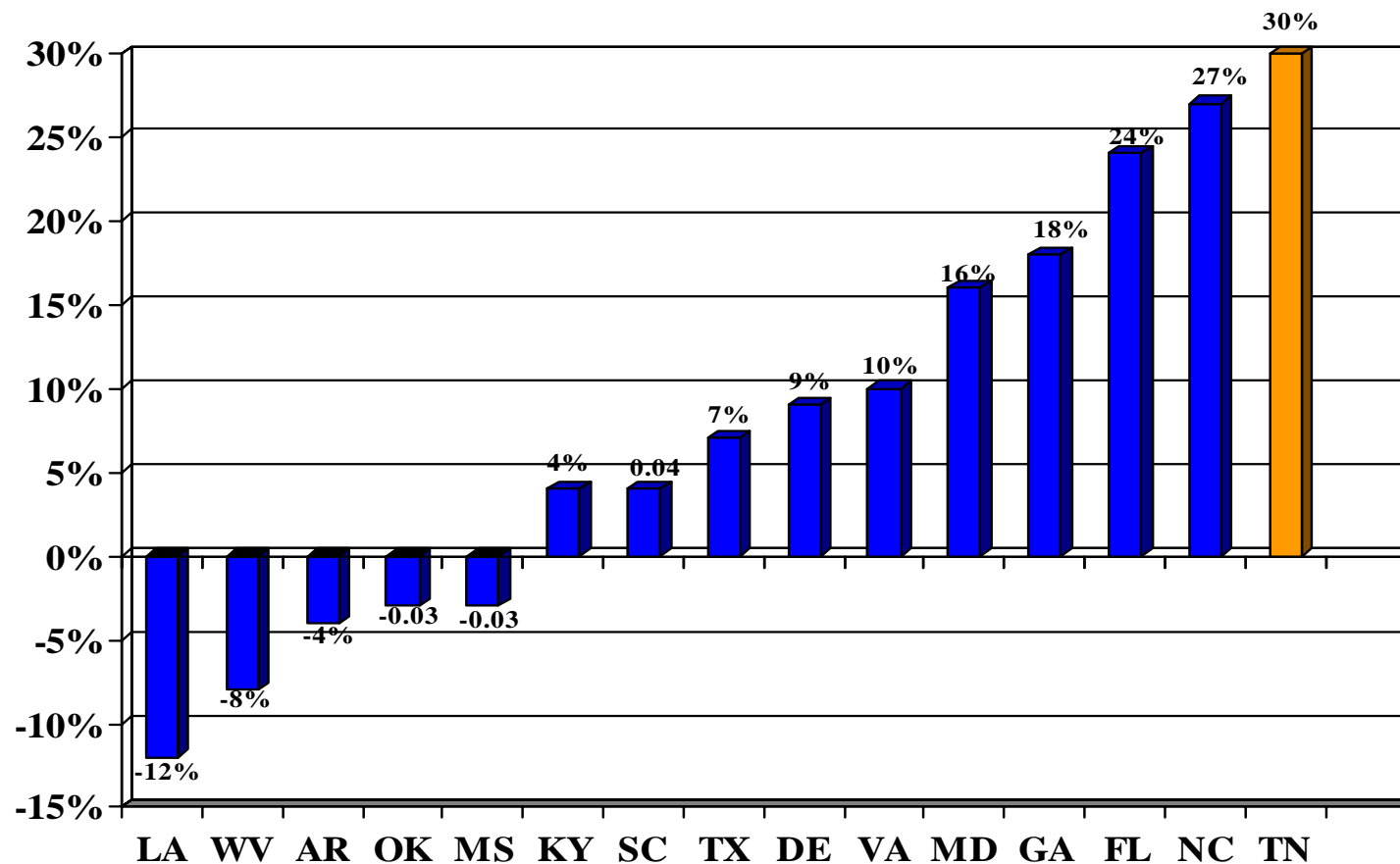
# Public High School Progression Rates: 1996-00



In 1996-97, there were 82,877 ninth graders in TN. By the 10th grade, the number of students dropped to 72,677. For the 11th grade, the number has declined to 61,738. By 1999-00, the cohort's senior year, the number of students had declined to 57,531. Of these students, 44,681 received academic degrees. Of these graduates, 25,112 enrolled in college in Fall 2000. Based upon the state's average graduation rate, @ 10,000 will receive a bachelor's degree. Thus, @ 73,000 students never make it out of the education pipeline.

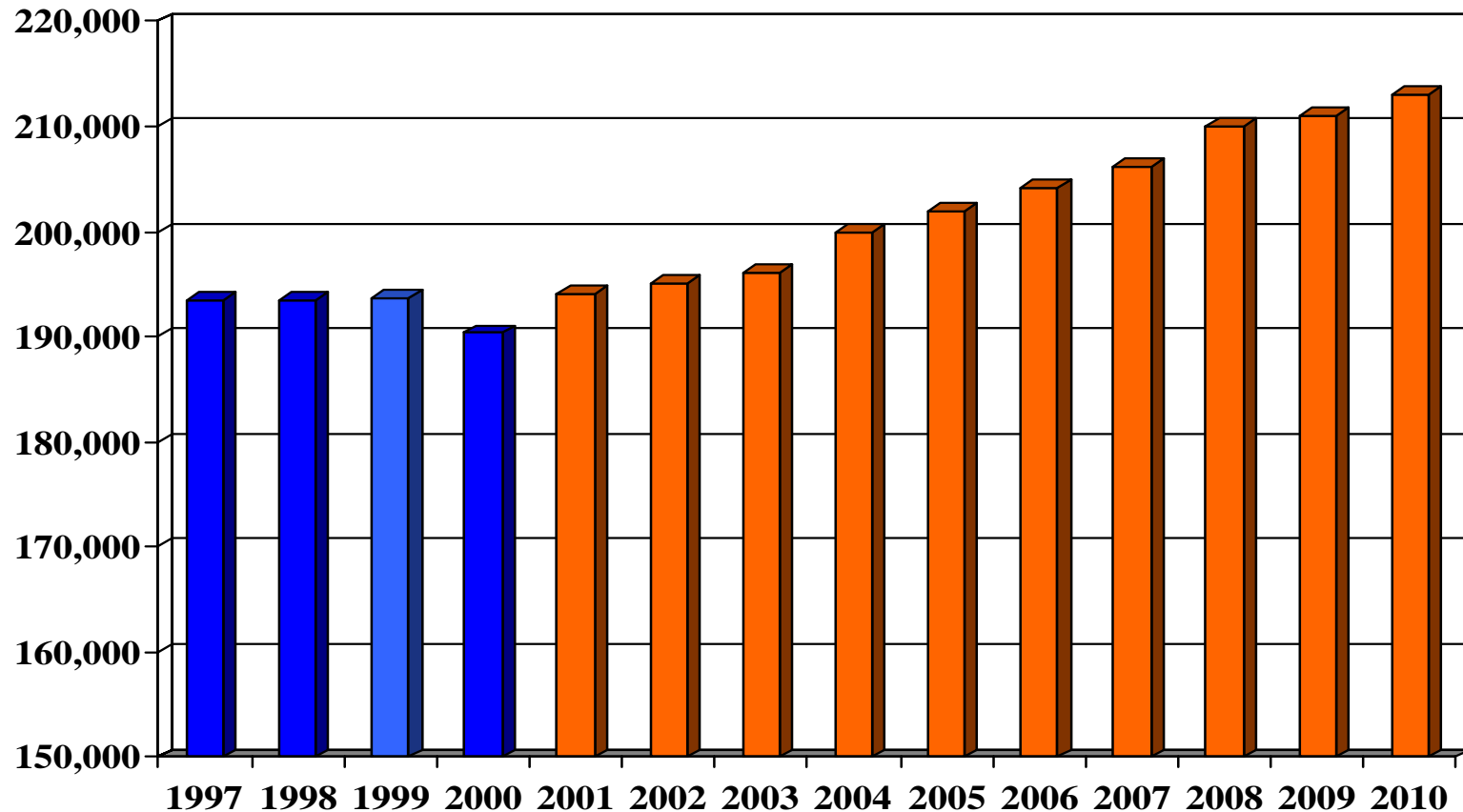


# SREB High School Grad. Projections



**SREB projects that from 2001-2010, TN will produce 12,200 additional high school graduates (30% increase).**

# THEC Enrollment Projections to 2010

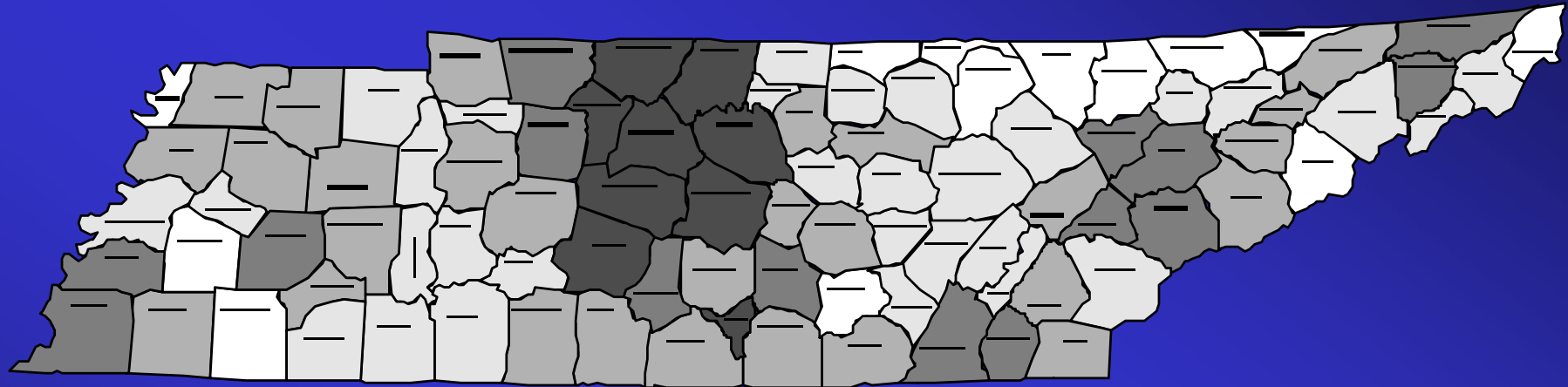


**THEC projects that from 2000-2010, TN higher education will experience an enrollment increase of 22,650 additional students (11% increase).**

# Economic and Demographic Comparisons



# Median Household Income, 1997



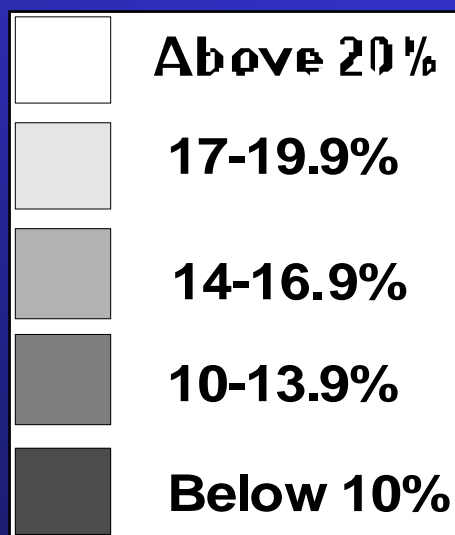
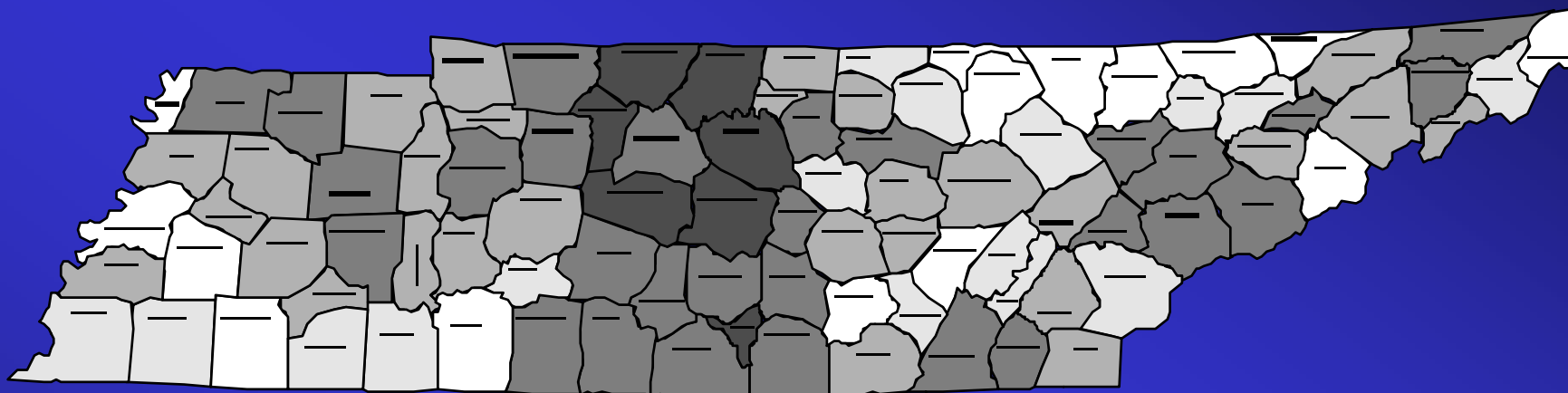
Median Household Income  
for State of Tennessee, 1997

**\$32,602**

**U.S. Average: \$38,233**



# Percent of Population in Poverty, 1995



## Examples of Poverty Thresholds in 1995

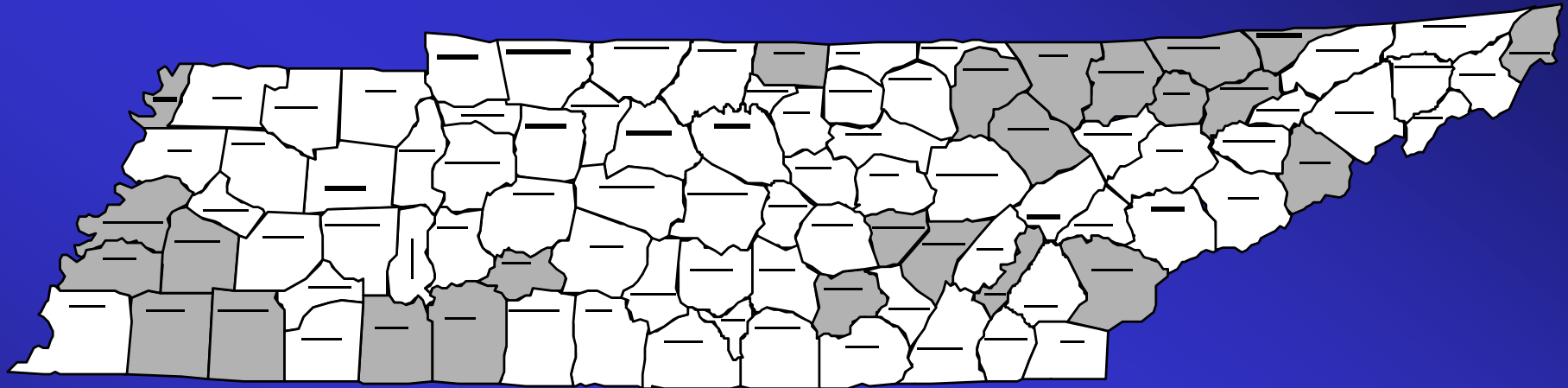
Family of four (2 children under 18) -  
**\$15,455**

Family of five (3 children under 18) -  
**\$18,643**





# *25 Counties With Highest Needs Index Scores*



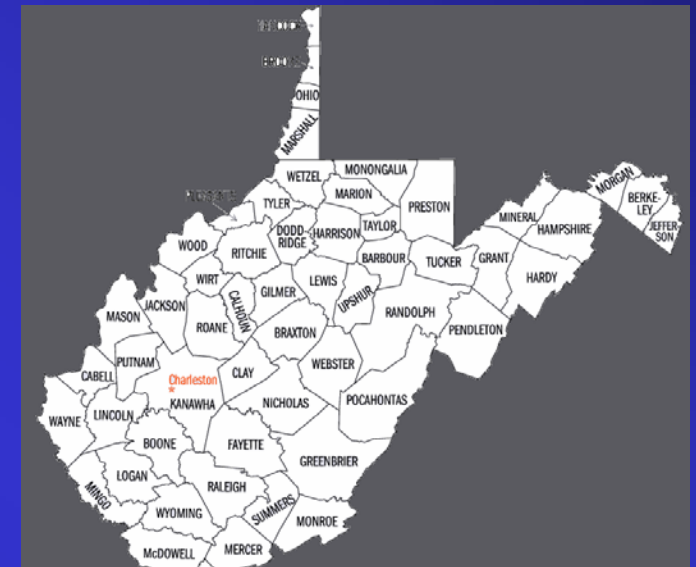
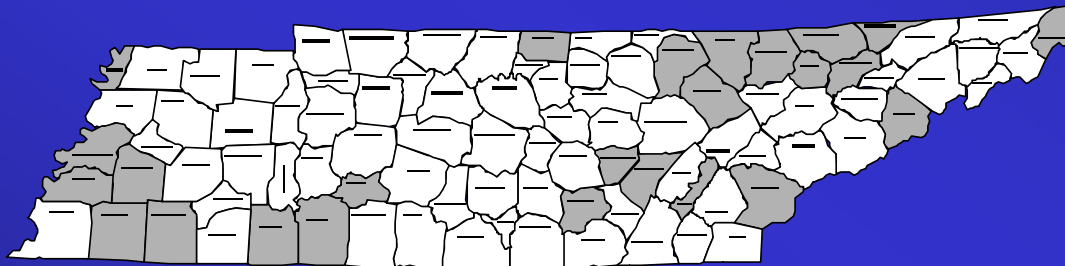
## **Twenty-five Critical Counties**

1	Hancock	10	Wayne	19	Monroe
2	Union	11	Lewis	20	Hardin
3	Hardeman	12	Tipton	21	Van Buren
4	Campbell	13	Bledsoe	22	Cocke
5	Lake	14	Fayette	23	Claiborne
6	Grundy	15	Morgan	24	Grainger
7	Scott	16	Macon	25	Meigs
8	Haywood	17	Johnson		
9	Lauderdale	18	Fentress		



# *25 Counties With Highest Needs Index Scores*

## *Tennessee/West Virginia Comparisons*



### **Twenty-five Critical Counties**

1	Union	10	Haywood	19	Webster
2	Hancock	11	Scott	20	Morgan
3	Hardeman	12	Lauderdale	21	Macon
4	Campbell	13	Mingo	22	Johnson
5	Lake	14	Fayette	23	Fentress
6	Clay	15	Lewis	24	Monroe
7	Lincoln	16	Wayne	25	Hardin
8	Grundy	17	Tipton		
9	McDowell	18	Bledsoe		



# Benefits of Investments in Higher Education

Institute for Higher Education Policy (1998)

Private social benefits

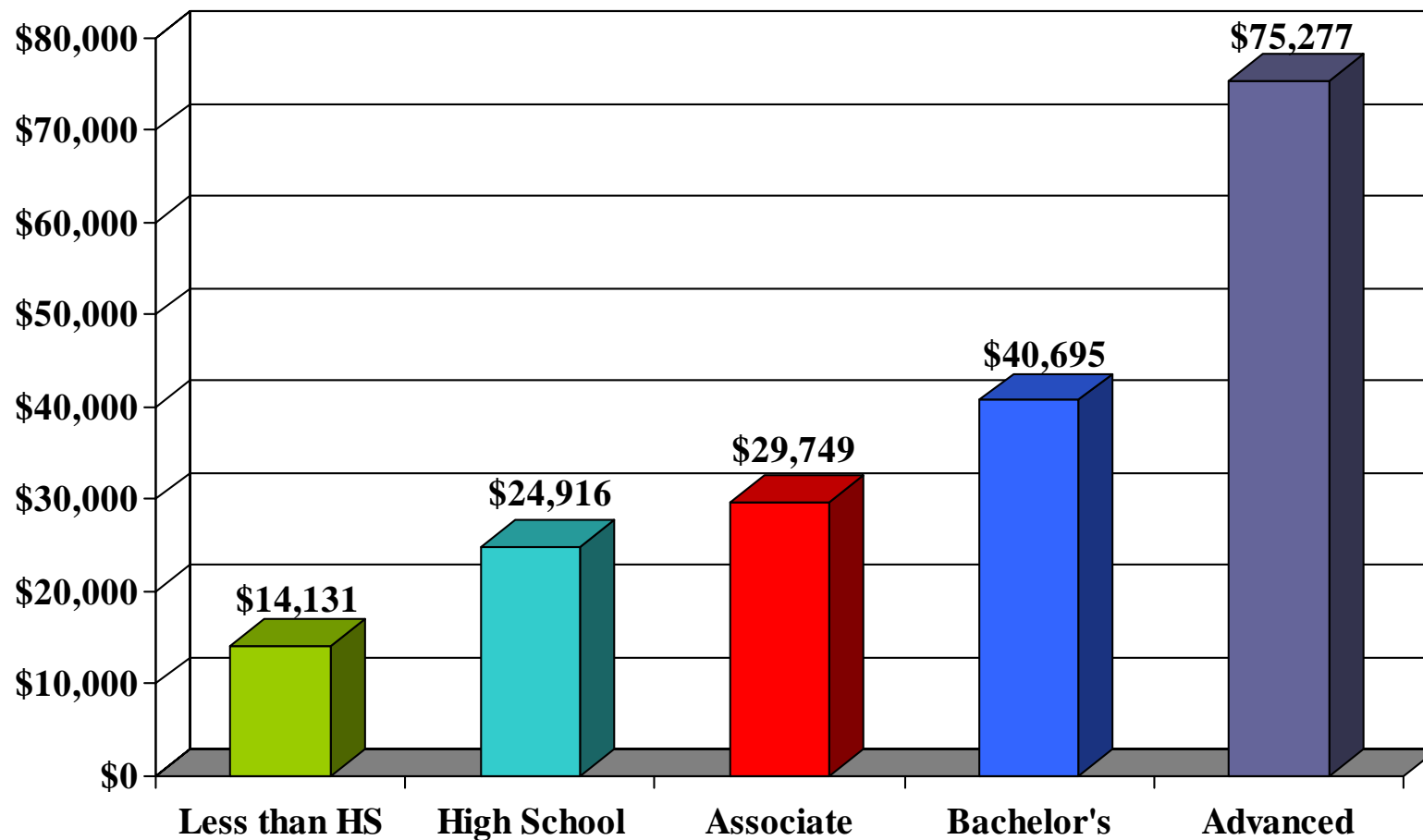
Public social benefits

Private economic benefits

Public social benefits

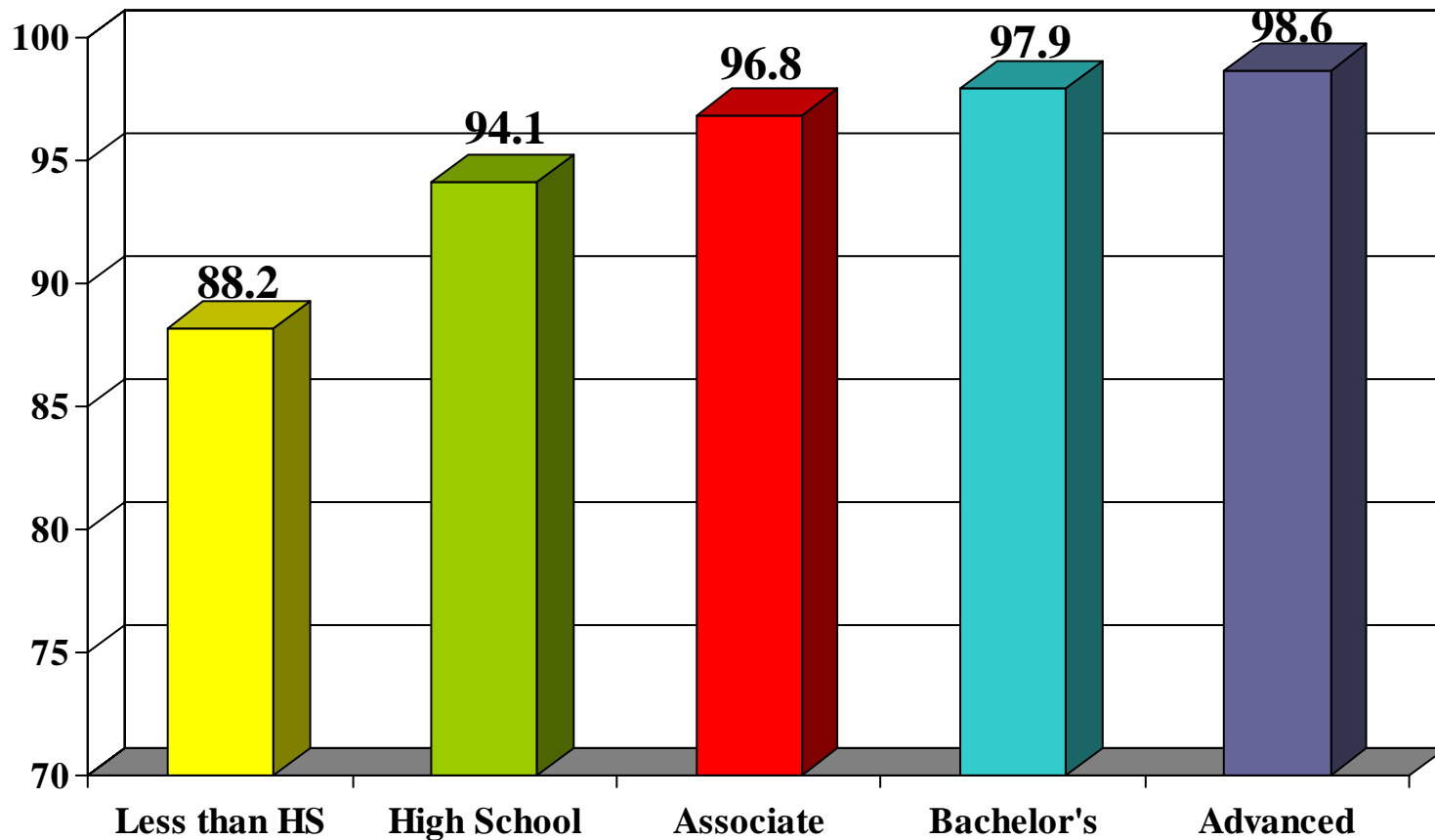
This framework ensures a review of all benefits while recognizing that some benefits are not easily placed into one category, but rather contribute to multiple categories leading to the interdependency of public and private benefits and social and economic benefits.

# Financial Benefits to the Individual



Source: U.S. Census Bureau, Current Population Survey, March 1998

# Employment Benefits to the Individual



Source: U.S. Census Bureau, Current Population Survey, March 1998



# The Direct Economic Impact of Tennessee Higher Education-Unemployment Insurance

Bachelor's Degree Recipients (97-98)		
Less Than 25 Years Old	8,146	59%
25 to 34 Years Old	4,263	31%
35 Years and Older	1,416	10%
Total	13,825	

**1997 total graduate population: 27,432**

**Successful match: 50.4%**



## UI Data - Earnings by Degree Level

Earnings Second Year After Graduation		
Bachelors Degree	9,941	\$23,281
Masters Degree	3,078	\$33,907
Doctoral Degree	180	\$40,636



# Earnings by Specialized Major

## 1997-98 Graduates - Earnings After 2 Years

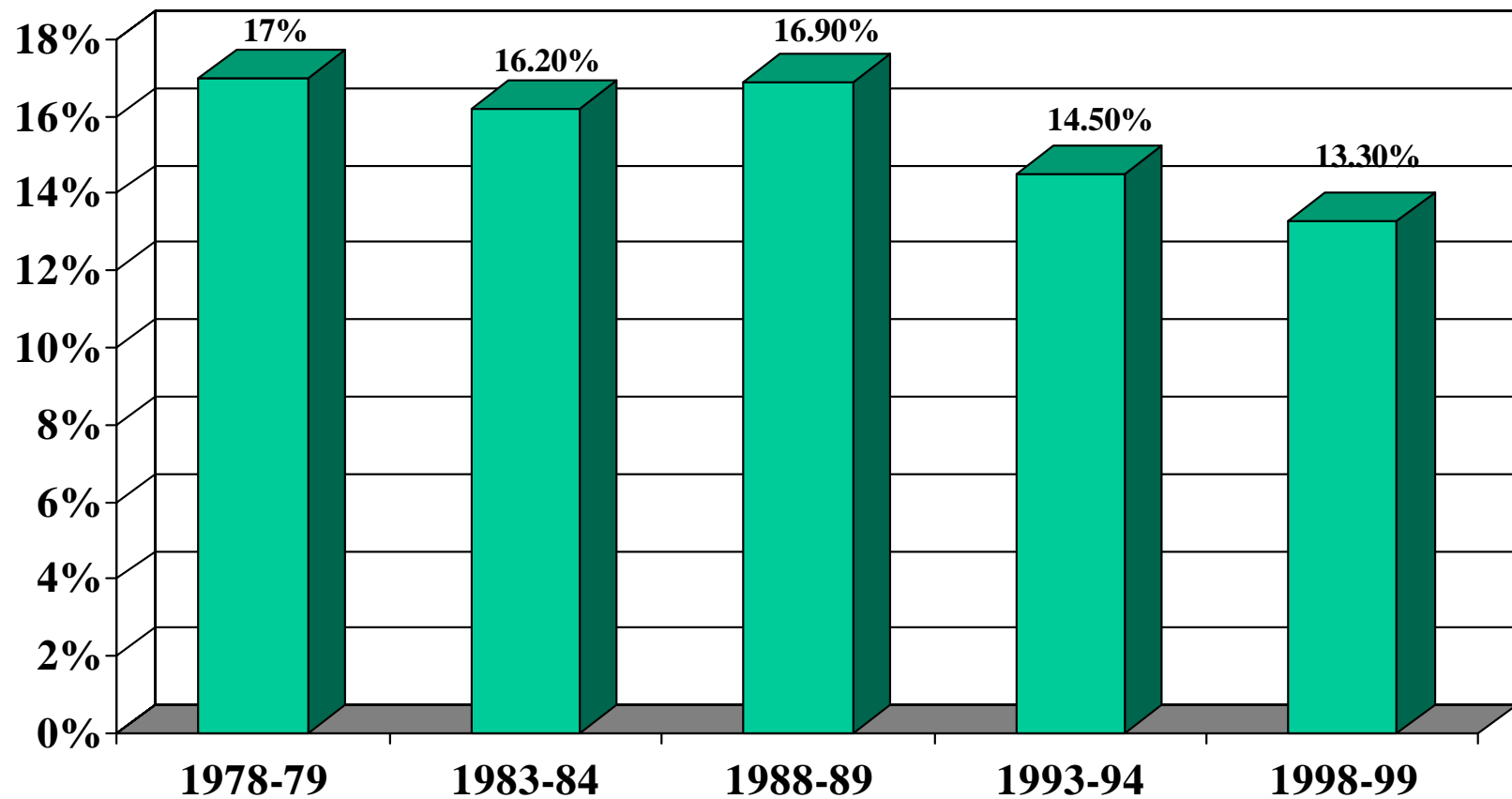
Degree	Discipline	Total Matched	Average Earnings
<b>BSC</b>	Communications	134	\$18,379
<b>BSED</b>	Parks, Recreation, Leisure & Fitness Studies	146	\$18,507
<b>BSAG</b>	Agricultural Sciences	143	\$18,861
<b>BSHE</b>	Home Economics, General	138	\$18,903
<b>BSW</b>	Public Administration & Services	98	\$19,270
<b>BSED</b>	Education	170	\$24,605
<b>BSED</b>	Multi/Interdisciplinary Sciences	306	\$25,710
<b>BSBA</b>	Business Management & Administrative Services	631	\$28,306
<b>BSCE</b>	Engineering	110	\$29,530
<b>BSN</b>	Health Professions & Related Services	593	\$31,955
<b>BSPT</b>	Health Professions & Related Services	91	\$37,559
<b>BSME</b>	Engineering	111	\$37,780
<b>BSEE</b>	Engineering	67	\$39,693



# Funding Concerns



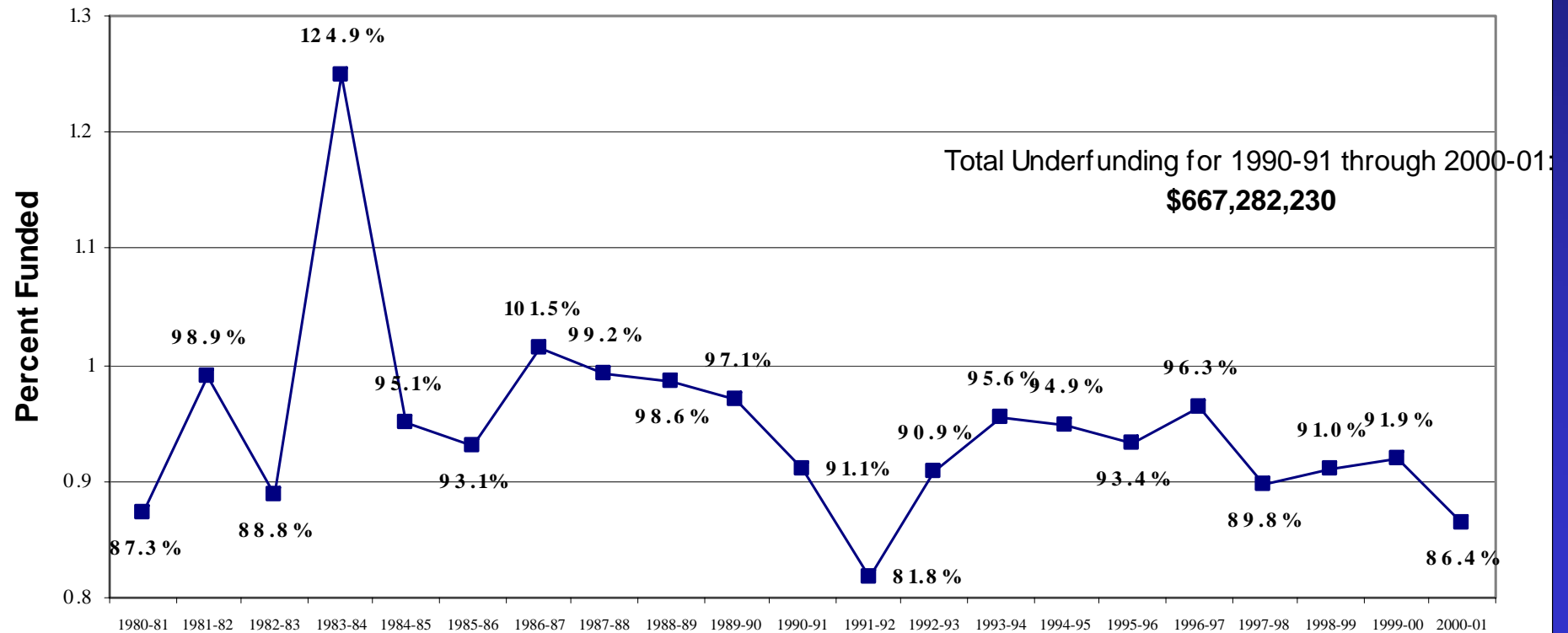
# Percent of State Appropriations Allocated to Higher Education



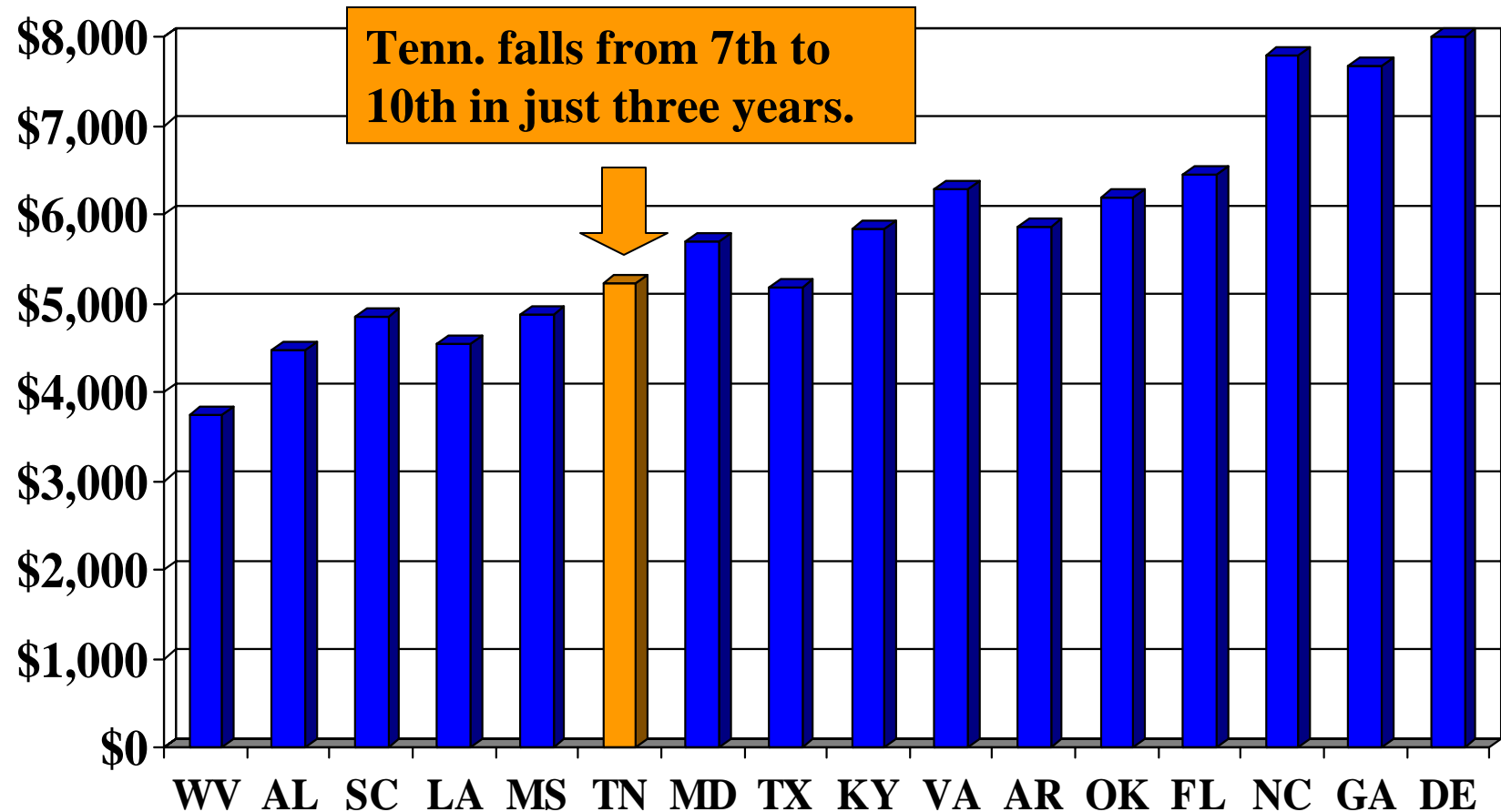
Source: Southern Regional Education Board

# Funding Formula Recommendations

**Percent of the THEC Funding Formula Funded by State Appropriations**



# Estimate of State Approp. Per FTE (2000-01)



Source: SREB Factbook, 2000-01



# Appropriations Trends

**Trends in State and Local Operating Appropriations Per FTE  
at Public Colleges and Universities (adjusted for inflation)**

	Four-Year Colleges and Universities			
	1994-95	1999-2000	Change	Percent
<b>SREB states</b>	<b>\$5,997</b>	<b>\$6,037</b>	<b>\$40</b>	<b>0.7</b>
Alabama	5,777	4,871	-906	-15.7
Arkansas	5,451	5,618	167	3.1
Delaware	--	5,503	--	--
Florida	7,869	7,520	-349	-4.4
Georgia	6,427	7,562	1,135	17.7
Kentucky	5,083	5,025	-58	-1.1
Louisiana	3,908	3,803	-105	-2.7
Maryland	7,217	7,054	-163	-2.3
Mississippi	5,652	6,321	669	11.8
North Carolina	7,836	7,862	26	0.3
Oklahoma	4,753	5,204	451	9.5
South Carolina	5,498	5,367	-131	-2.4
<b>Tennessee</b>	<b>6,633</b>	<b>5,330</b>	<b>-1,303</b>	<b>-19.6</b>
Texas	6,261	6,133	-128	-2.0
Virginia	4,707	5,766	1,059	22.5
West Virginia	4,188	3,954	-234	-5.6

# Inflation-Adjusted Operating Revenues

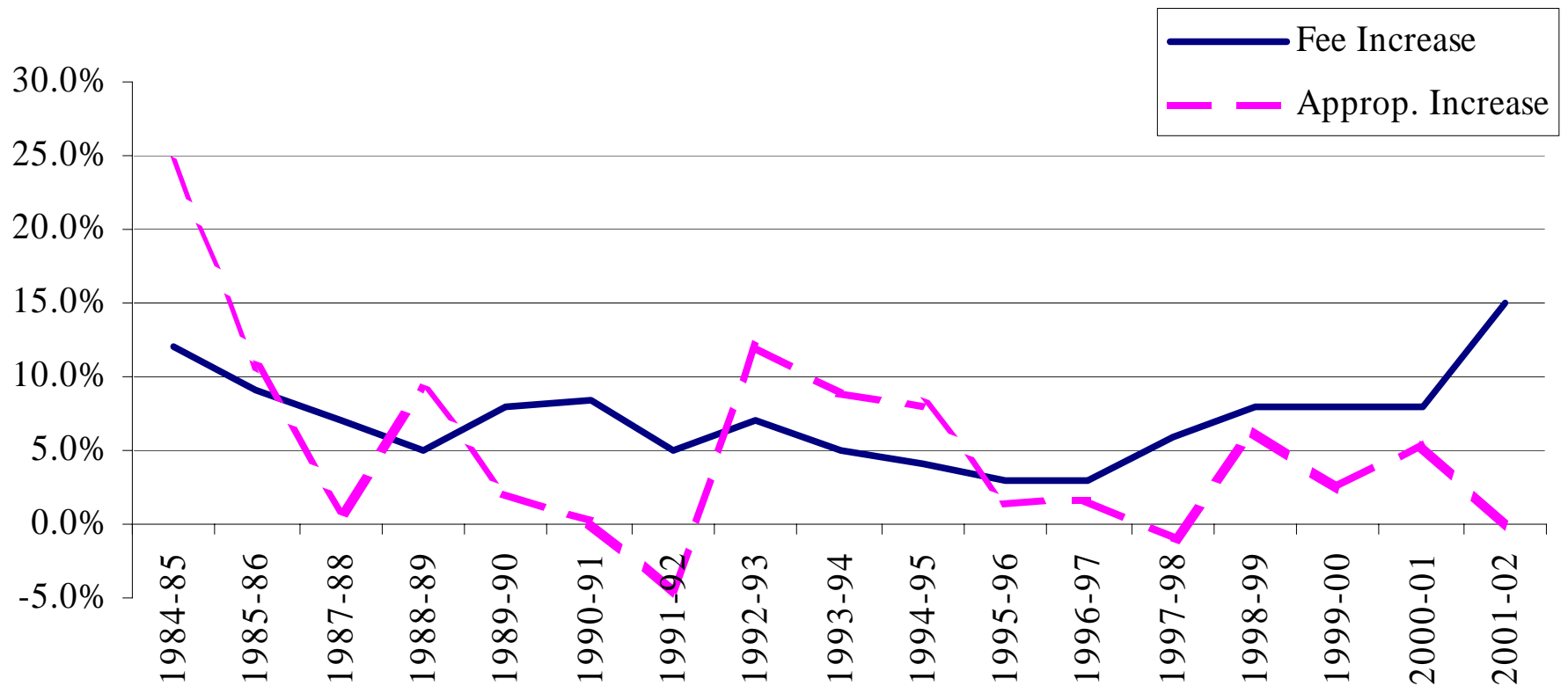


# Tuition and Fees - A Shifting Funding Responsibility



# The Reliance Upon Tuition and Fees

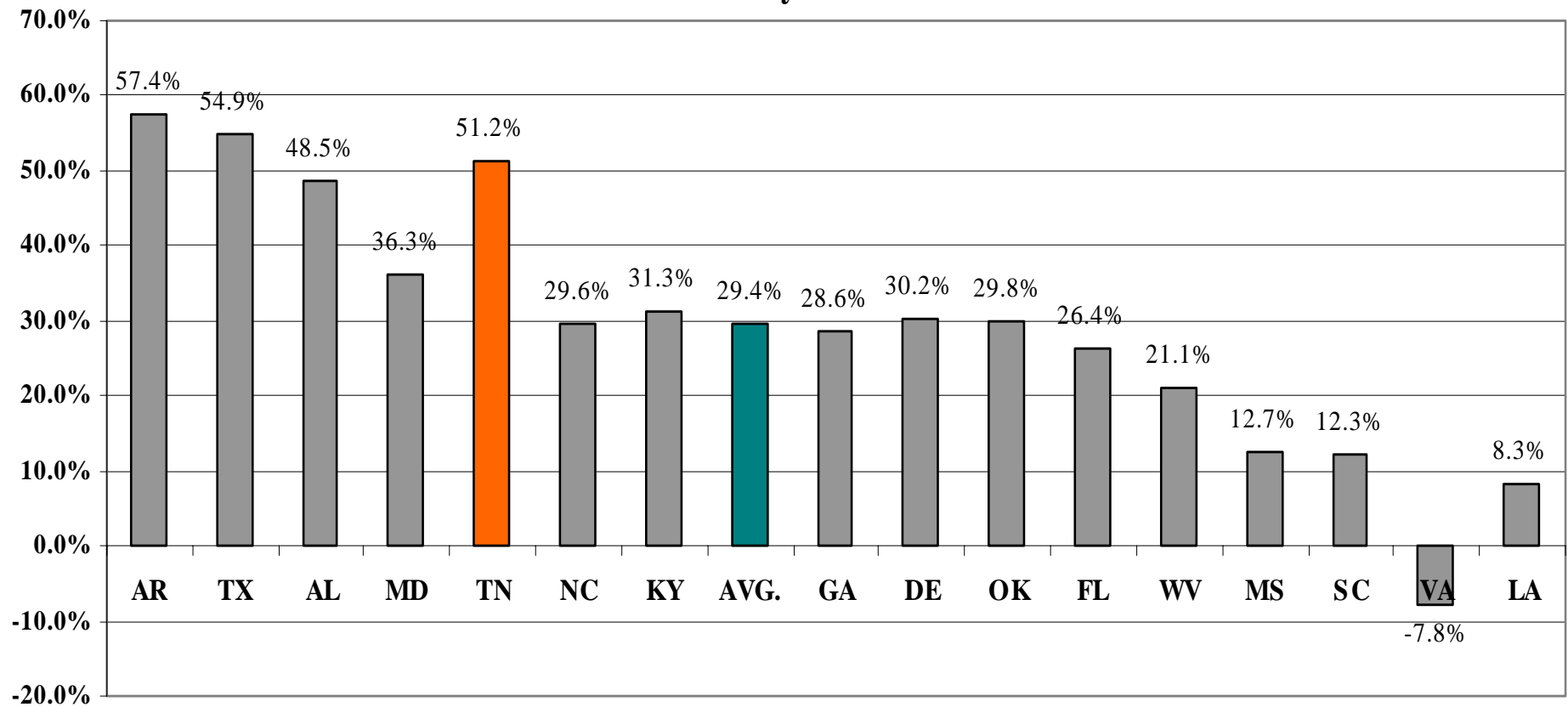
**Yearly Percent Increases in Fees**



**From 1993 to 2001, state appropriations have increased 27%, while fees have increased 72%**

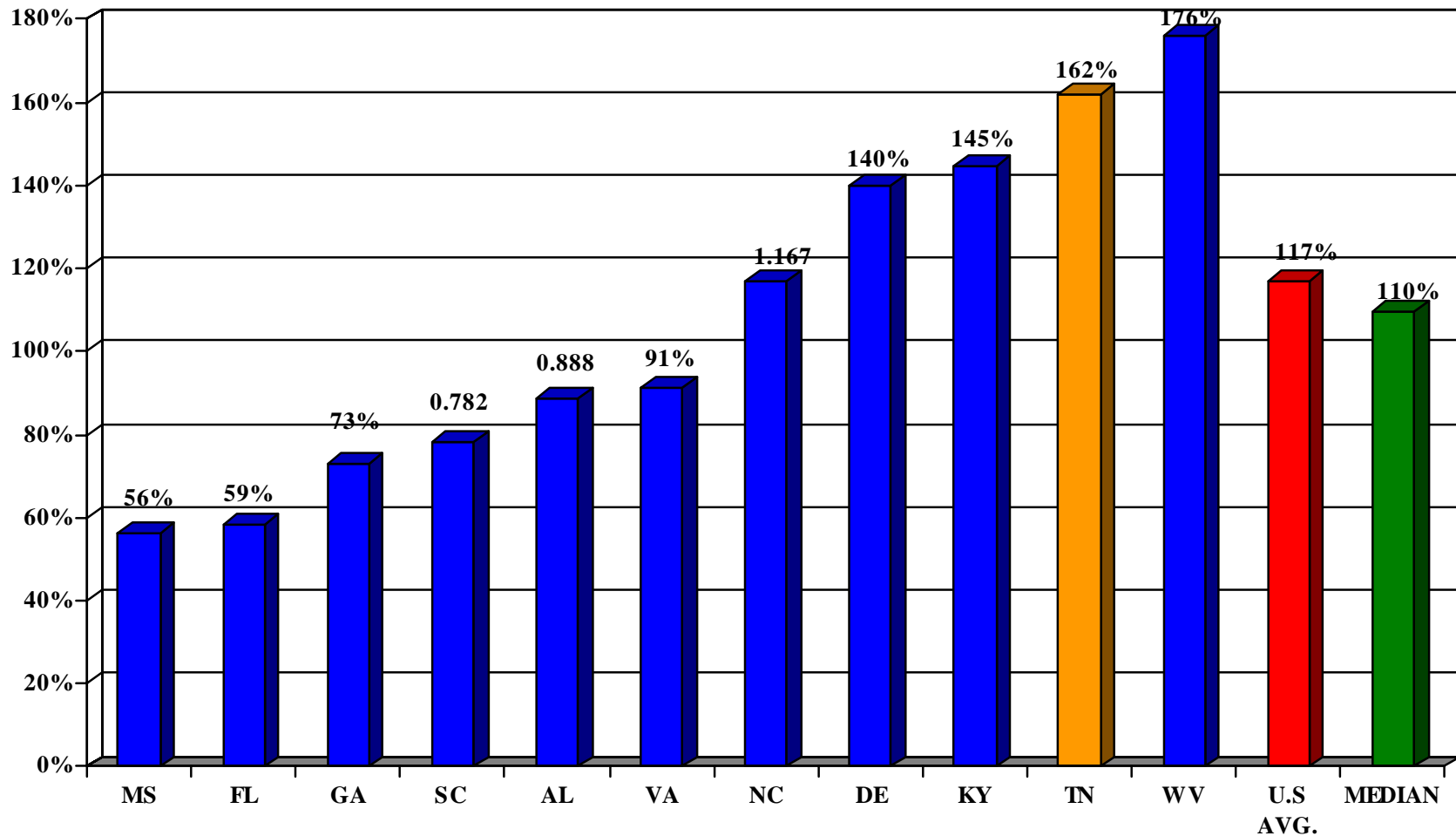
# Impacts on Affordability

Percent Change from 93-94 to 98-99 in Average Tuition at  
All Public 4-year Schools



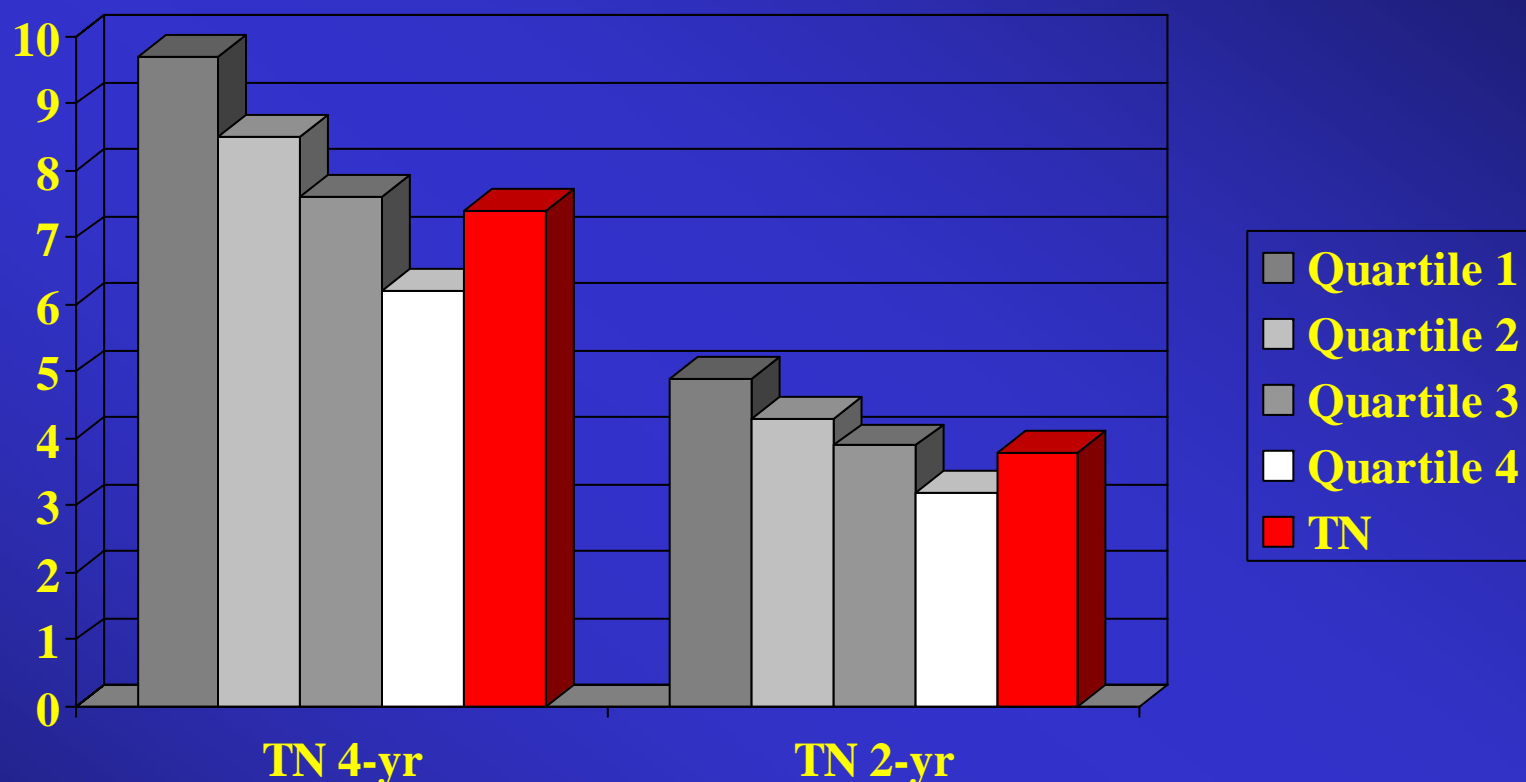
Data Source: Southern Regional Education Board

# Tuition and Fee Increases from 1980 to 2000



Source: Postsecondary Education Opportunity # 106 - April 2001

# Fees as a Percentage of Median Household Income Difference Between Counties (1998-99)

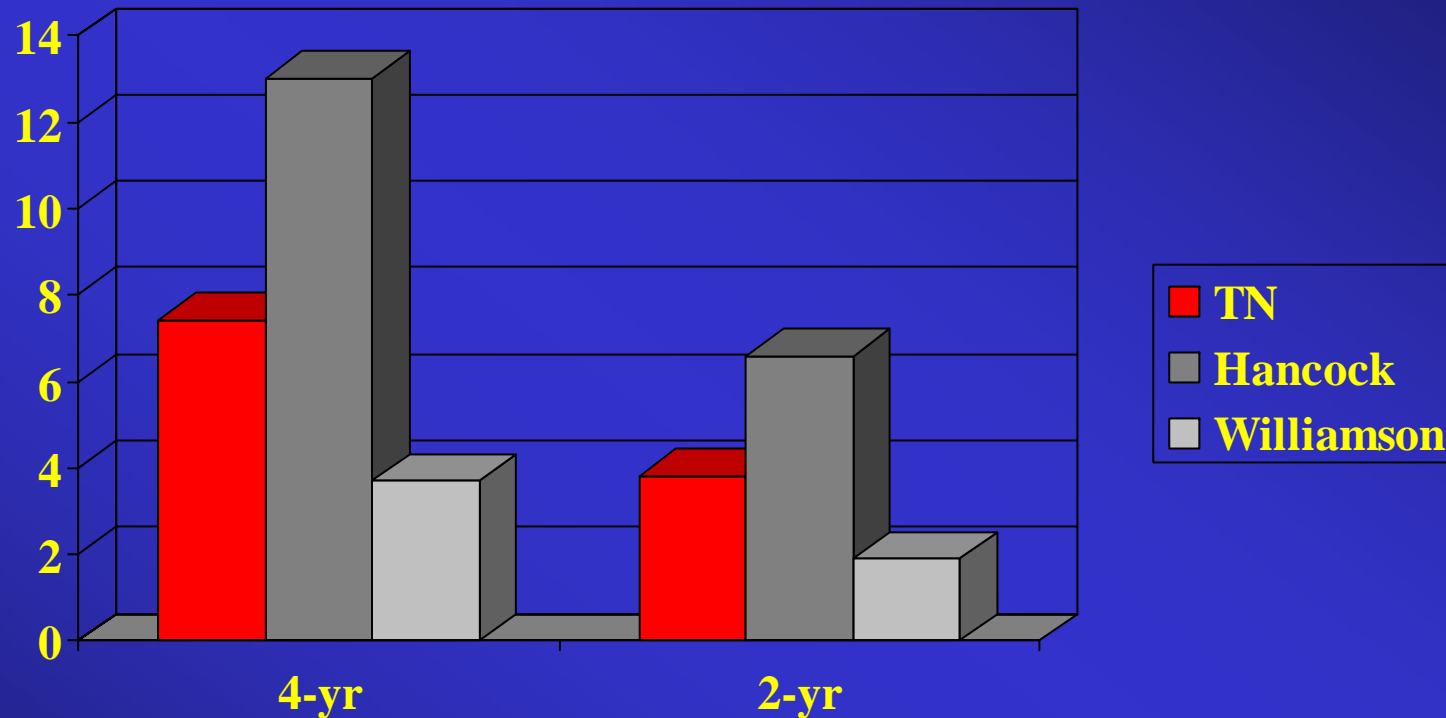


Fees as % of Med. Household Income		
	4-yr	2-yr
Quartile 1	9.7%	4.9%
Quartile 2	8.5%	4.3%
Quartile 3	7.6%	3.9%
Quartile 4	6.2%	3.2%
TN	7.4%	3.8%





# Difference Between Counties (1998-99)



Fees as % of Med. Household Income

	4-yr	2-yr
TN	7.4%	3.8%
Hancock	13.0%	6.6%
Williamson	3.7%	1.9%



# Funding for Financial Aid in Tennessee

Tennessee students receive only **2.3%** of their financial aid via state assistance, well below the regional average of **4.3%**. Adjusting for the HOPE program in Georgia, Tennessee is well off the adjusted regional average of **3.7%**.



# Financial Aid in Tennessee

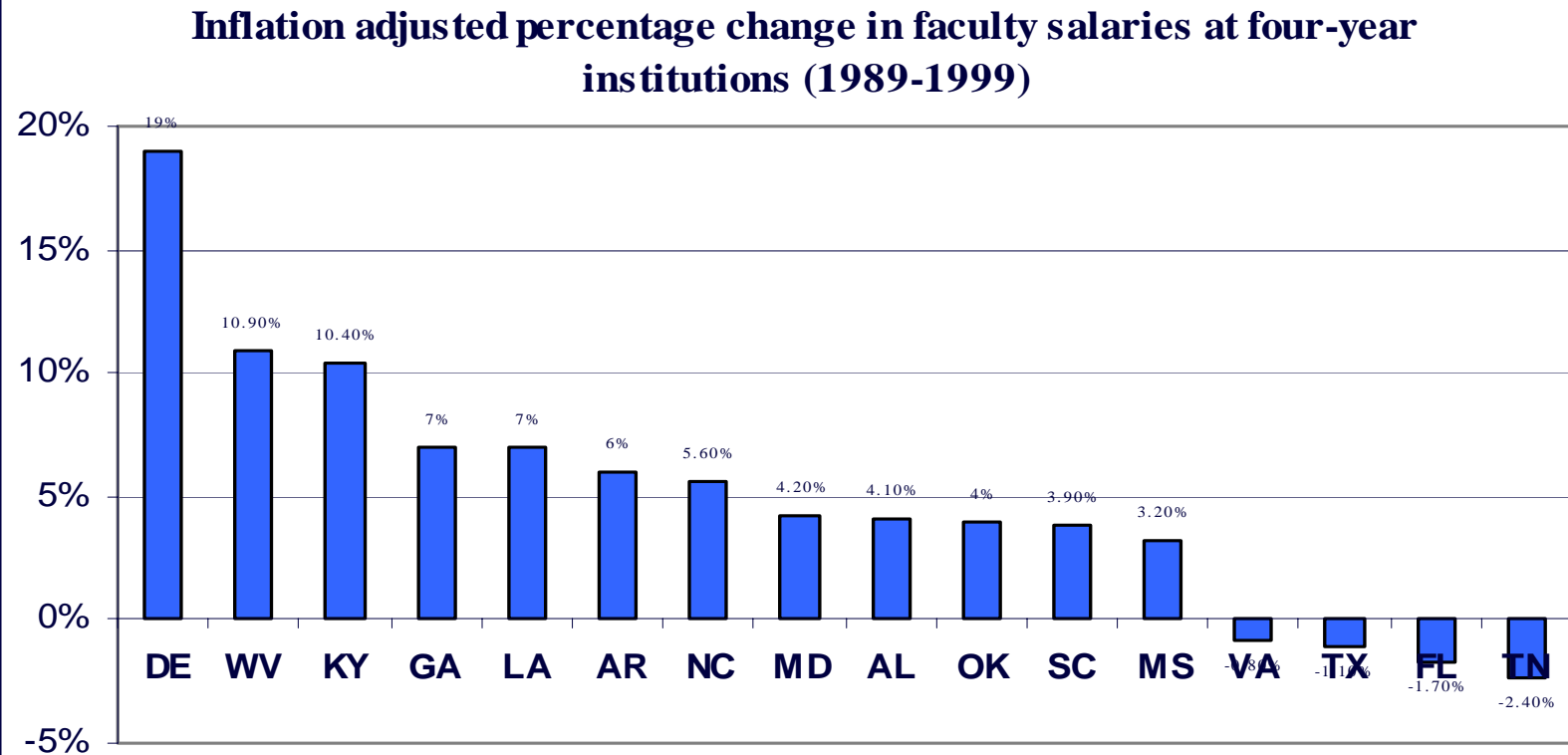
## 1998-99 Aid Dollars per Various Demographics

	<b>Amount</b>	<b>Rank</b>
<b>TN per Resident</b>	<b>\$4</b>	<b>29</b>
<b>National per Resident</b>	<b>\$11</b>	
<b>TN per Resident (18-24 yrs old)</b>	<b>\$41</b>	<b>30</b>
<b>National per Resident (18-24)</b>	<b>\$118</b>	
<b>TN per Undergraduate FTE</b>	<b>\$139</b>	<b>29</b>
<b>National per Undergraduate FTE</b>	<b>\$397</b>	

Source: NASGAP, 1998-99 Annual Survey Report

# Trends in Faculty Salaries

	1991-92	1995-96	1997-98	1998-99	1999-2000
<b>SREB</b>	\$46,369	\$47,719	\$51,164	\$53,381	\$55,022
<b>Tennessee</b>	48,003	47,638	49,490	49,698	51,806
<i>TN's Position</i>	3.4% above	0.2% below	3.3% below	6.8% below	6.2% below



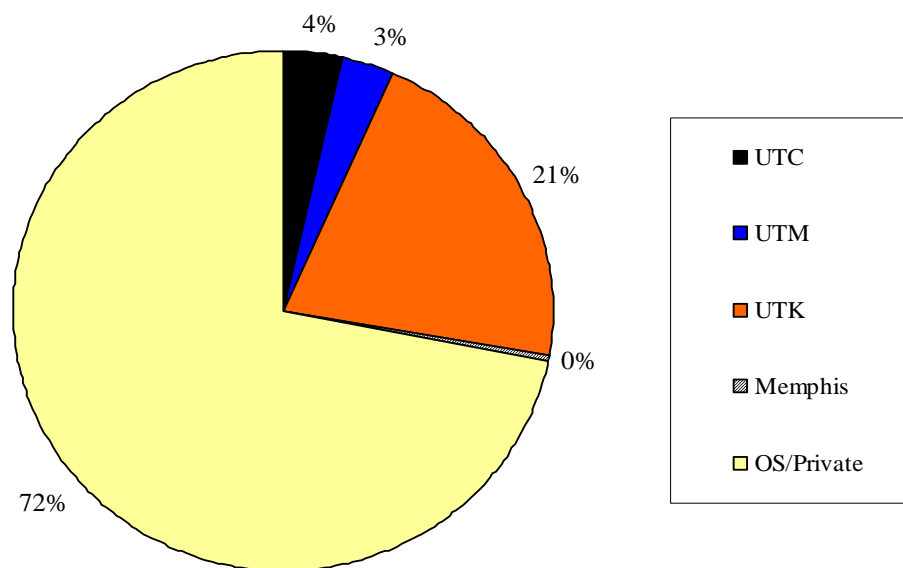
# “The Best and Brightest”

	<u>1999</u>	<u>2000</u>
<b>Belmont</b>	1	
<b>Freedman-Hardeman</b>	1	
<b>MTSU</b>	1	
<b>Rhodes</b>	15	20
<b>Tennessee Tech</b>	5	5
<b>Union University</b>		3
<b>University of Memphis</b>	5	2
<b>University of TN -Chattanooga</b>		1
<b>UTK</b>	30	33
<b>University of the South</b>	13	8
<b>Vanderbilt University</b>	98	98
<b>Total</b>	<b>169</b>	<b>170</b>

Of the 170 National Merit scholars attending Tennessee institutions, 57% attend Vanderbilt University

Of the 903 students who applied for the McWherter scholarship, THEC was able to match 253 students from public college and university enrollment data for fall 2000. Thus, 253 out of the 903 (28%) students attended a Tennessee public institution. The remainder either attended an out of state public or private school in Fall 2000.

College Choice of 2000 McWherter Scholarship Nominees  
(Total of 903)



## Student Perceptions of Tennessee Higher Education

- Many top students are attending college out of state b/c they feel they can get a better education for the money.
- I know the TN public schools, especially UTK, are trying to improve, but I felt that it was important to go to a great school that concentrated on academics. (student went to GA Tech).
- TN public higher education would have better served me if the class sizes were smaller, more freshmen classes were taught by professors, the buildings were in better condition and if more leaving professors were replaced with full time qualified professors.
- I find it disappointing that tuition is being raised 15%. Although I understand the difficult position lawmakers are in when setting a budget, I believe more money should be given to higher education. There are few other areas that are more important.
- Let's face it, TN is not known for its academics. I decided to go the Univ. of Alabama because their honors academic programs were better than the ones I found in TN.
- I love TN. I want to live and work here. UTK is a great institution. However, I worry that our state does not value our state universities.
- I was hesitant to select any public university within the state of TN due to our state's poor reputation compared to other public schools such as UVA and UNC (Student selected Vanderbilt).

# Next Steps - The Future of Tennessee Education

- **P16 - Bridging the gap for all Tennesseans**
  - Curricula alignment
  - Professional development
  - Increased communication through information
- **THEC Plan of Action**
  - The tension between access and quality
  - Steps to improve the corpus
  - Increased partnerships with independent institutions





